

TRUSTEES' OPEN MEETING MINUTES

PLACE: Funds Administration Conference Room/Lansing, MI

DATE: February 13, 2013

TIME CALLED TO ORDER: 9:03 a.m.
MOVED TO CLOSED SESSION: 9:39 a.m.
RETURNED TO OPEN SESSION: 10:07 a.m.
OPEN MEETING ADJOURNED: 10:18 a.m.

MEMBERS PRESENT:

Trustees: Douglas A. Green, Kevin A. Elsenheimer and Michael T. Reid
Assistant Attorney General: Dennis J. Raterink and Brian Galin
Funds Staff: Mark C. Long, Allison Kelly, Janice Remer & Lavonne Blonde

EXCUSED:

Richard W. Smith

PRESIDING PERSON:

Mark C. Long, Funds Administrator

RESPECTFULLY SUBMITTED:

Lavonne Blonde, Executive Secretary

#	TOPIC	MOTIONS/SECOND/AMENDMENTS MEMORANDUMS/LETTERS	SUMMARY/RESULT
1.	Open Minutes from December 12, 2012 Trustee Meeting.	December 12, 2012 Open Minutes. Motion by Kevin Elsenheimer to approve the minutes of December 12, 2012 as written. Douglas Green supported.	Unanimous approval. Minutes approved.
2.	Financial Statements	October, November & December 2012 Statements, Year Ending Cost Percentage Report and Trust Fund Payment spreadsheet.	Mark Long summarized the financial statements and the calendar year end cost percentage report. Also presented was an excel report showing the details of each trust fund and payments made from the trusts to SISF claimants. Trustees noted.
3.	Assessments	Assessment Web page print out	Allison Kelly indicated that we are right where we should be in the assessment process. The indemnity request letters were mailed January 28, 2013 with a deadline of February 28, 2013.

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3.	Assessments		<p>Currently we have received 60% reporting for private employers, 70% for public employers and 30% for insurance companies. Mark Long advised that in order to streamline the process, two letters were combined into one and we have also made the reporting form available online.</p> <p>Trustees noted.</p>
4.	Appealed Cases by Issue Report as of January 15, 2013	Report.	<p>Mark Long advised Smither has been updated to reflect the oral argument presented to the Supreme Court by Dennis Raterink on January 9, 2013. Dennis commented no decision has been received but the feedback was good. Dennis also noted that Beechler is coming up but will likely resolve based on the Smither decision.</p> <p>Trustees noted.</p>
5.	AAG/SAAG Activity and Reports	December 2012 AAG and SAAG Litigation and Billing Reports.	<p>Brian Galin noted that case counts remain relatively consistent and based on numbers over a two year period we are closing cases faster than previously which negates the back log; hopefully this trend will continue. Brian also mentioned that he is working on updating the SAAG manual making it more user friendly, making it available electronically, adding a bankruptcy section and making it available for both SAAG's and AAG's.</p> <p>Trustees noted.</p>
6.	Redemption Activity Report December 6, 2012 – February 6, 2013	Report.	<p>Mark Long asked if there were any questions on the redemption activity report, which is a report showing the settlements made within the Funds authority since the last trustee meeting.</p> <p>Trustees noted.</p>
7.	Electronic Vendor Payments	None.	<p>Mark Long advised that electronic vendor payments process began last fall and was implemented in spring. Vendors may now be paid by electronic funds transfer (EFT). Three out of our top 6 vendors registered for EFT and we will continue to work to get more vendors registered. Rick will have more detailed highlights at the next meeting. Douglas Green asked if EFT is available for receiving assessment payments. Mark indicated that we are working with Finance and Treasury to move forward on receiving payments electronically.</p> <p>Trustees discussed.</p>

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8.	Assistant Administrators Year End Updates	Statistics for Calendar Year 2012	<p>Mark Long presented the statistics for calendar year 2012 to the Trustees and AG's and reviewed the overall numbers. Janice Remer also recapped the Second Injury Fund numbers as well as Silicosis, Dust Disease and Logging Industry numbers. Mark advised that there is talk that fracking will be the next big cause of silicosis and dust diseases. Trustees were also advised on staffing levels of examiners and technicians and the average case per examiner.</p> <p>Trustees discussed.</p>
9.	FY 2013 Program Improvement Plans	None.	<p>Mark Long indicated that we are looking at upgrades to FAIS and CRS for the FY 2013. He believes these are obtainable goals and will help improve the overall efficiency of the Funds. Also, as mentioned earlier, the increased use of electronic filings, specifically in the assessment process, to also increase efficiency.</p> <p>Trustees discussed.</p>
10.	Hostess	None.	<p>Mark Long recapped the Hostess bankruptcy. They ceased making payments effective February 3, 2013 and the security of one million dollars was called. As of right now we believe there to be about 25 cases and they are currently being handled by Ellen Feldpausch. We have requested the files and will be reserving them once they arrive but it is believed that the security will cover the cases. The trustees were also presented with the Trust acknowledgement paperwork for signature.</p> <p>Trustees discussed.</p>
11.	Anderson Safeway Guard Rail Corporation Workers' Compensation Trust Fund	None.	<p>Mark Long advised initially Anderson Safeway continued to pay claims but are going to cease payments. Having no security on the file, the Agency got Anderson to put up \$10,000 and that money has been put into a trust. The trust should provide sufficient funding to allow for reimbursement from excess carrier. The trustees were presented with Trust acknowledgement paperwork for signature.</p> <p>Trustees noted.</p>
12.	Any Other Items Before the Board	None.	None.
13.	Moved into Closed Session	Motion made by Kevin Elsenheimer to move into closed session to discuss issues of trial or settlement strategy with	Unanimous approval. Moved into closed session at 9:39 a.m.

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13.		Council and attorney-client privileged documents. Douglas Green supported.	
14.	Closed Minutes from December 12, 2012.	Motion by Kevin Elsenheimer to approve the closed minutes from December 12, 2012 as presented in closed session. Douglas Green supported.	Unanimous approval.
15.	Delphi Legislation	None.	<p>Douglas Green advised that he met with the MSIA Board last week and they are pretty much in line with the proposed legislation. However, they are still pushing for Sedgwick to work up the claims and would like it somehow worded as so in the legislation that there will be third party involvement. General Motors indicated they would pay Sedgwick to handle these cases. Mr. Green indicated that he is not sure if he'd want that, GM paying Sedgwick, that he would prefer we, the Funds Administration, pay Sedgwick. Dennis Raterink advised that GM paying Sedgwick leads to a conflict of interests on GM's part as they are a listed party on a majority of these cases. Discussion took place on what had been agreed upon in previous meetings as far as having Sedgwick handle the files and lack of work up of each file by all parties involved which makes it difficult to have specific numbers available. Kevin Elsenheimer gave an update on the status of the proposed legislation but also indicated that we won't know where we stand until the bill is actually dropped and we know the exact wording. At that time, any and all interested parties can make their concerns known; we are possibly looking at early spring.</p> <p>Trustees discussed.</p>
16.	Next Meeting	None.	<p>The next meeting will be held on Wednesday, April 17, 2013 at 9:00 a.m.</p> <p>Trustees noted.</p>
17.	Adjourn Session	Motion by Douglas Green to adjourn the meeting. Michael Reid supported.	Unanimous approval. Session adjourned at 10:18 a.m.

Douglas A. Green, Trustee Chair	Date
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Mark C. Long, Funds Administrator	Date
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